

September 5, 2024

To: Mayor and Members of City Council 202401903
From: Sheryl M.M. Long, City Manager
Subject: **COUNCIL REPORT – DCED Contract Timelines**

REFERENCE DOCUMENT #202302026

The Equitable Growth & Housing Committee at its session on September 27, 2023 referred the following item for review and report:

WE MOVE that the Administration provide a report about the process and historic timeline of creating, vetting, and sending out Contracts with entities who are receiving financial support from the City. Support includes but is not limited to NBDIP, NOFA, TIF Funding, tax abatements, and leveraged support. This report should detail a typical timeline from when these contracts are first brought to the Administration to when they are executed.

BACKGROUND

The contracting process begins when an entity:

1. Receives an award of funding from City Council through the budgeting process and that funding is assigned to a specific department.
2. Receives an award of funding through a competitive funding program previously allocated by City Council like NOFA or NBDIP.
3. Completes an application for financial assistance and receives an offer of assistance from the Department of Community & Economic Development.

Depending on the type of financial support offered/awarded, as the contracting process begins the entity will need to provide documents/information to Community & Economic Development to begin the contracting process. This may include pre-contracting information like a final scope of work and budget, evidence of other sources of funding required to complete the project or outline of business terms that will be required by the City of the entity to complete the project (which may be outlined in a non-binding term sheet). The amount of time entities take to complete

pre-contracting information varies on the type of financial support, the entity involved, and project complexity. In addition, once the legal services process begins, more information may be necessary from the external entity or the contracting Department (like Community & Economic Development). Finally, sometimes the timing or key terms of a project will change, which can result in additional time before an agreement can be completed.

The Administration historically had a request for legal services process that was tracked through a Microsoft Access database. This database, which is no longer supported by Microsoft, did not allow for easy tracking of the status of legal services agreements in the pipeline for completion by either the Law Department or departmental clients. This database did not allow for tracking contracts from request to completion.

The Administration has created an OnBase platform for better tracking of Requests for Legal Services. This new database rolled out in October 2023. It is accessible through the City's intranet, and its functionality permits both the Law Department and all department Directors to view and track pending requests for legal services, which encompass the legal services required for each of these contracts. Efforts are underway to expand the database's functionality to increase capability for communication, document sharing, and tracking of key performance data to enhance performance management of this work.

For executing contracts, the Administration has a contract routing process that is either an email-based process where departments circulate an email from one Department account to the next to obtain required approvals or where physical signatures are required, a paper process that moves from one Department office to the next. While the contracting department may keep a log of contracts to track when contracts began routing, neither the email-based routing system nor the paper-based routing system allows for easy tracking of how much time each Department takes to approve the contract in the process. The Administration has discussed implementing a contract routing platform to better allow for tracking approvals in the contract routing process. ETS is currently vetting technological solutions and is working with City Purchasing to begin the appropriate solicitation process.

TYPICAL TIMELINES FOR AGREEMENTS

While the Administration does not have historical data on the actual times taken for specific contracts, the Administration has sought to make the contracting process more predictable for external entities. Community & Economic Development has added anticipated contracting or processing timelines to its applications or competitive funding processes to aid external entities in planning out the contracting times into their program schedules.

To provide more transparency on certain current timelines, the general Financial Assistance Application that covers TIF District requests and other similar financial

support lists an eighteen-week process from when an application is deemed complete for the City Administration to review the request, make an offer, draft and negotiate a contract, obtain legislative approval and execute the agreement. This timeline is an estimate as the timeline is dependent upon the complexity of the assistance request and the time required by the entity to compile, review, and deliver materials needed during the contracting process.

The Notice of Funding Availability (NOFA) program guidelines state that applicants must be able to execute a funding agreement within a year of the date of award. This requirement is intended to ensure that applicants move quickly through the pre-contracting process and deliver materials necessary for contract drafting so that the contract can be executed and the project is underway within a year of the date of award.

The Neighborhood Business District Improvement Program (NBDIP) program guidelines require the projects to be completed within a two-year timeframe. DCED is working on adding standard contracting timelines similar to those within the financial assistance application to provide clearer expectations for contract timing following award.

The leveraged funding process was not centralized until FY24 when the City Manager's office began coordinating all Departments that had been assigned a leveraged funding agreement. Before this point, the timing varied by Department. In FY25 the Administration is working to make this process more efficient by training contract managers on requirements to minimize delays once the RLS is submitted. Ideally this will allow to have organization under contract o by the second quarter of the fiscal year.

Each type of financial support the City provides to external entities has a different process from application/allocation to contract due to the requirements of that type of financial support. The City Administration is working to both streamline these processes and make them more predictable to external partners so both timelines and expectations of external partners are clearer earlier in the process.

CONTRACTING & PROCESS IMPROVEMENTS

The Administration is working to further streamline the internal process for contracting to provide a more uniform and clear external experience.

Development-related Contracting Process Improvements

Analyzing our development process in Cincinnati has brought forth details that the existing process features inefficiencies and results in frustration among stakeholders. To address this, we engaged in the SIET (Strategic Initiative Execution Team)

process to thoroughly examine the issues, identify objectives for improvement, and recommend solutions with a focus on the Department of Community and Economic Development (DCED). In addition to DCED, the Office of Performance and Data Analytics, the Law Department, the Office of Grant Administration, and dedicated key staff and time to these improvements.

Over the past year through stakeholder input and department input, the following issues were identified: prolonged and inconsistent approval processes, inefficient sequencing of information gathering and sharing, inefficiencies in the legal documentation process (drafting, revising, executing contracts), communication breakdowns across stages of project review and limited empowerment of staff to expedite reviews and make independent approvals.

Our goal this year, and moving forward, is to enhance the efficiency, effectiveness, and customer satisfaction of city services by rapidly investing in technology and innovation. To achieve this, we have mapped out the entire development process to identify inefficiencies and areas for improvement in specific programs within DCED. This will be followed by implementing a clear strategic vision and endorsed policies to guide decision-making and streamline processes. We will also begin integrating technological solutions to automate and improve efficiency in the approval and documentation processes. Additionally, we plan to optimize underwriting and contract negotiation processes to ensure faster and more consistent outcomes, incorporating efficiency improvements in supporting departments such as Law.

Leveraged Support Funding Agreements

Improvements to the Leveraged Support Funding Agreements has been another area of focus of the Administration. Part of the work the City Manager's Office has done in centralizing oversight of these agreements is to create a set of standardized metrics for the agreements so that the City can assess the efficacy of the funded programs. In addition, the Law Department has invested significant time and resources into standardizing leveraged support funding agreements to reduce legal drafting time. As part of this, the Law Department has created a series of training for departments tasked with managing leveraged funding agreements, with particular focus on identifying what information will be required from external partners in order to create a sufficient scope of work and budget. These videos are available on the City's intranet at <http://citymatters.rcc.org/citymatters/departments/law/client-training-resources/>. Finally, sample leveraged support funding agreements have been published publicly along with announcements soliciting applications so that potential partners can see the City's funding agreement at the earliest possible time.

By identifying and implementing these improvements, we anticipate a significant reduction in approval and legal documentation processing times. These enhancements will streamline interactions between DCED/CMO, external stakeholders, residents, and developers, ultimately increasing satisfaction and boosting our competitiveness in the current economy. While exact time savings will

vary depending on the project type, we estimate that these changes could reduce processing times by 20-30%, enabling more rapid development and economic growth in the city.

RECOMMENDATION

The Administration recommends approval of this Report. No action by the City Council is recommended at this time.

Copy: Markiea L. Carter, Director, Department of Community & Economic Development;

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